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SENATE BILL 595

43RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1997

INTRODUCED BY

JOSEPH J. CARRARO

AN ACT

RELATING TO EDUCATION; ENACTING THE FAMILY EDUCATIONAL EQUITY ACT; ESTABLISHING A PROCEDURE FOR THE DISTRIBUTION AND REDEMPTION OF PUBLIC SCHOOL EDUCATIONAL COUPONS; AUTHORIZING A PRIVATE SCHOOL TUITION TAX CREDIT OR REBATE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. A new section of the Public School Code is enacted to read:

"[NEW MATERIAL] SHORT TITLE.--Sections 1 through 6 of this act may be cited as the "Family Educational Equity Act"."

Section 2. A new section of the Public School Code is enacted to read:

"[NEW MATERIAL] DEFINITIONS.--As used in the Family Educational Equity Act:

A. "educational coupon" means an instrument issued

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1 to parents that represents an amount of money to pay for
2 educational services provided to a student in school outside
3 that student's designated attendance area;

4 B. "student" means any school-age person who is
5 enrolled in a public school and who resides in this state; and

6 C. "parents" means natural parents, legal guardians
7 or any person having legal or effective custody of a student."

8 Section 3. A new section of the Public School Code is
9 enacted to read:

10 "[NEW MATERIAL] EDUCATIONAL COUPON PROGRAM - PURPOSE -
11 ADMINISTRATION. --

12 A. The department of education shall develop and
13 administer an educational coupon program. The purpose of the
14 program shall be to provide alternative educational
15 opportunities to all students.

16 B. The educational coupon program shall be conducted
17 such that the department of education shall issue educational
18 coupons to each local school district. Each local school
19 district shall issue educational coupons to the parents of all
20 students residing in the district. Educational coupons shall be
21 utilized at any public school. Educational coupons may be
22 redeemed at any public school outside a student's district-
23 defined attendance area. Educational coupons shall not be
24 utilized by a student at any school within his district-defined
25 attendance area.

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1 C. The department of education shall establish
2 procedures for the distribution and redemption of educational
3 coupons. "

4 Section 4. A new section of the Public School Code is
5 enacted to read:

6 "[NEW MATERIAL] COUPONS--VALUE--PAYMENT.--The cash value
7 of the educational coupon shall be equal to the sum of the
8 product of the value of the program unit established by the
9 state superintendent multiplied by the applicable cost
10 differential factor and ten percent of that product. "

11 Section 5. A new section of the Public School Code is
12 enacted to read:

13 "[NEW MATERIAL] ADMISSIONS.--Each local school board may
14 designate attendance areas for public schools located within the
15 school district. Students residing within the attendance area
16 of a public school shall have the first opportunity to register
17 to attend that school. When registration of an attendance
18 area's residents is complete, a public school with space
19 available shall enroll other students residing within the
20 district on a first-come, first-served basis. After district
21 residents have had an opportunity to register, schools with
22 space available may enroll students residing outside the
23 district. No district shall deny its residents permission to
24 attend school outside the district. "

25 Section 6. A new section of the Public School Code is

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1 enacted to read:

2 "[NEW MATERIAL] PARTICIPATION. -- Every public school shall
3 be required to participate in the educational coupon program "

4 Section 7. A new section of the Income Tax Act is enacted
5 to read:

6 "[NEW MATERIAL] INCOME TAX CREDIT--PRIVATE SCHOOL
7 TUITION. --

8 A. Any taxpayer who has not claimed an income tax
9 private school tuition rebate, who is the parent or guardian of
10 a child attending an accredited private school in New Mexico
11 and who files a New Mexico income tax return may claim a tax
12 credit against his income tax liability in an amount equal to
13 the number of children attending private schools multiplied by
14 ninety percent of the unit value established in the applicable
15 tax year.

16 B. The credit provided in Subsection A of this
17 section may only be deducted from the taxpayer's income tax
18 liability.

19 C. Any portion of the maximum tax credit provided by
20 this section that remains unused at the end of the taxpayer's
21 taxable year may be carried forward for five consecutive years.

22 D. A husband and wife who file separate returns for
23 a taxable year in which they could have filed a joint return may
24 each claim only one-half of the tax credit that would have been
25 allowed on a joint return.

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1 E. As used in this section:

2 (1) "private school" means a school offering
3 programs of instruction not under the control, supervision or
4 management of a local school board, exclusive of home
5 instruction, for kindergarten through the twelfth grade; and

6 (2) "unit value" means that value determined by
7 the superintendent of public instruction for the purpose of
8 distributing the state equalization guarantee distribution. "

9 Section 8. A new section of the Income Tax Act is enacted
10 to read:

11 "[NEW MATERIAL] PRIVATE SCHOOL TUITION--TAX REBATE. --

12 A. Any resident who has not claimed an income tax
13 private school tuition tax credit, who has a modified gross
14 income of less than sixteen thousand dollars (\$16,000) per year,
15 who files an individual New Mexico income tax return and who is
16 the parent or guardian of a child attending a private school in
17 New Mexico may claim a tax rebate for the amount of private
18 school tuition paid in an amount not to exceed ninety percent of
19 the unit value established in the applicable tax year multiplied
20 by the number of children attending private school.

21 B. The tax rebate provided for in this section may
22 be deducted from the taxpayer's New Mexico income tax liability
23 for the taxable year. If the tax rebate exceeds the taxpayer's
24 income tax liability, the excess shall be refunded to the
25 taxpayer.

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C. A husband and wife who file separate returns for a taxable year in which they could have filed a joint return may each claim only one-half of the tax rebate that would have been allowed on a joint return.

D. As used in this section:

(1) "private school" means a school offering programs of instruction not under the control, supervision or management of a local school board, exclusive of home instruction, for kindergarten through the twelfth grade; and

(2) "unit value" means that value determined by the superintendent of public instruction for the purpose of distributing the state equalization guarantee distribution."

Section 9. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 1997.